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## FISCAL IMPACT REPORT

SPONSOR Picraux DATE TYPED 2/11/04 HB 497

SHORT TITLE Senior Prescription Drug Program Eligibility SB \_\_\_\_\_

ANALYST Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
			NFI		

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Health Policy Commission (HPC)

Department of Health (DOH)

Human Services Department (HSD)

NM Retiree Health Care Authority (NMRHCA)

### SUMMARY

#### Synopsis of Bill

House Bill 497 amends Section 10-7C-17 NMSA 1978 (Laws 2002, Chapter 75, Section 2 and Laws 2002, Chapter 80, Section 2) to extend the senior prescription drug program to individuals receiving social security disability benefits. HB 497 contains an emergency clause.

#### Significant Issues

As currently enacted, the Senior Prescription Drug Program exists in the Retiree Health Care Authority. NM residents (sixty-five years of age and older) are eligible for participation in the senior drug program. The Authority may assess participants an annual administrative fee, not in excess of \$60 per year, and a participant's prescription drug cost may not exceed the total dispensing fee plus a discounted drug price made available to the group through the Authority.

In New Mexico, an estimated 24% of the population is uninsured and nearly as many are insured but are without prescription benefits. A substantial number of New Mexico's population is potentially at risk for a disruption in the continuity of their health care when they can not obtain the prescription drugs they require because of rising prices. Rising prescription prices are a crisis not

only in New Mexico, but in the entire country.

### **FISCAL IMPLICATIONS**

NMHCRA notes that the Senior Prescription Drug Program (SPDP) is a discount card program and, therefore, the agency sees no impact from numbers enrolled.

### **ADMINISTRATIVE IMPLICATIONS**

A small spike in enrollments would require NMHRCA staff time.

### **OTHER SUBSTANTIVE ISSUES**

According to the Social Security Administration, ([www.ssa.gov/policy/docs/quickfacts/state\\_stats/nm.html](http://www.ssa.gov/policy/docs/quickfacts/state_stats/nm.html)) social security benefits were paid to 289,570 New Mexicans in 2002. This number included 172,710 retired workers, 35,460 disabled workers and 29,170 children. These beneficiaries represented 15.5% of the state's total population and 89.3% of the population aged 65 and older.

New Mexicans who are uninsured or insured, but without prescription drug benefits, face the problem of paying the continually rising costs for prescription drugs. There is substantial information in the press highlighting the circumstances in which many seniors and those individuals receiving social security disability benefits find themselves, such as having to choose between purchasing prescription drugs and basic necessities such as food, housing, clothing and utilities.

**BD/dm**